

Exhibit E

EXHIBIT A

1. *Estimated 2014 Premium Rate Changes Due to PPACA* (updated March 2013): Illustrates the estimated premium impact of the various 2014 PPACA provisions for [REDACTED] individual and small employer business. For the individual business, the exhibit illustrates the results from both a new business and existing non-grandfathered business perspective. It also illustrates the wide variation in pricing impact depending on the underlying demographics of individual subscribers, and the coverage level of the plan that was originally purchased before January 1, 2014. With respect to small group business, the analysis sets forth the anticipated impact for the same provisions, where applicable. While the magnitude of the average premium rate increase is not as large as it is for the individual market, there is wide variability in the premium rate increase that specific employers will experience, due primarily to the implementation of adjusted community rating. Note that this document, which was prepared February 2013, initially evaluated the individual business, but for ease of reference, it has been updated to include small group business information.
2. *Estimated Pricing Impacts* (updated March 2013): High level summary provided to brokers and external constituents illustrating the wide ranging premium impact PPACA may have in connection with the individual, small group and large group markets.
3. *Small Group 2014 – Likely Rate Increase Distribution* (updated March 2013): High-level description of the estimated range of premium increases for the small group market resulting from PPACA in certain states.
4. *Insurer Fee – Overview* (updated March 2013): High-level internal summary of the anticipated premium impact resulting from PPACA's insurer fee/tax.
5. *Impact of 2014 ACA Fees on Small Groups* (prepared July 2012): Illustrates an anticipated 3.8% impact to small group premiums resulting from the PPACA insurer fee/tax and the PPACA reinsurance fee. Please note that this analysis estimated the reinsurance fee at \$6.00 pmpm, however, subsequent to the date of this analysis the reinsurance fee has been set at \$5.25 pmpm.
6. *PPACA's Fees/Reforms – Impact on Premiums* (prepared January 2013): The top chart illustrates the impact of various pre-2014 PPACA benefit mandates (including \$0 cost-sharing for preventive services and the elimination of certain lifetime/annual limits) and projected taxes/fees on small group premiums. Whereas, the bottom chart depicts the projected impact on individual premiums of these same provisions plus essential health benefits, guarantee issue and adjusted community rating. It should be noted that neither chart is a comprehensive summary of all PPACA-related premium impacts (e.g., the charts do not reference the premium impact resulting from several of the 2010/2011 PPACA changes, including appeals and language assistance requirements).

Estimated 2014 Premium Rate Changes due to PPACA

PPACA Item	INDIVIDUAL BUSINESS		SMALL GROUP BUSINESS	
	New Business	Existing Non-Grandfathered Business	New & Existing Business	
Essential Health Benefits (EHBs) and Cost-Sharing Rules	15.0%	15.0%	6.0%	
Minimum Bronze Level	10.0%	8.0%	0.2%	
Guarantee Issue, Removal of Underwriting Actions	65.0%	10.0%	0.0%	
Insurer Fees	2.3%	2.3%	2.3%	
Reinsurance Recovery*	-10.0%	-10.0%	0.0%	
Risk Adjustment Transfer Payment **	0.0%	35.0%	0.0%	
Reinsurance, Risk Adjustment Fees (\$5.33 pmpm)	1.8%	1.8%	1.2%	
Secondary Effect - Small Employer Market Dropout	n/a	n/a	2.0%	
Average Starting Premium Per Member Per Month	\$ 158	\$ 179	\$ 432	
+ Essential Health Benefits (EHBs) and Cost-Sharing Rules	\$ 182	\$ 206	\$ 458	
+ Minimum Bronze Level	\$ 200	\$ 222	\$ 459	
+ Guarantee Issue, Removal of Underwriting Actions	\$ 330	\$ 245	\$ 459	
+ Insurer Fees	\$ 337	\$ 250	\$ 470	
+ Reinsurance Recovery*	\$ 304	\$ 225	\$ 470	
+ Risk Adjustment Transfer Payment **	\$ 304	\$ 304	\$ 470	
+ Reinsurance, Risk Adjustment Fees (\$5.33 pmpm)	\$ 309	\$ 309	\$ 475	
+ Secondary Effect - Small Employer Market Dropout	\$ 309	\$ 309	\$ 485	****
Total Average Change Due to 2014 PPACA-Related Impacts	96%	73%	12%	
Potential Rate Change Ranges*** due to:				
(1) Age	Low -25%	47%	30%	(1) Community Rating Low -25%
	High 52%	197%	163%	
(2) Minimum Bronze Plan	Low 0%	78%	60%	High 25%
	High 90%	238%	204%	
Both (1) & (2)	Low -25%	33%	20%	
	High 189%	413%	362%	

* Reinsurance recoveries could range from 5% - 15%, with larger variances at the state level based on the block size.

** Risk adjustment transfer payment is based on internal data comparisons. While 35% is shown for existing business impact, actual transfer will differ. Additional analysis pending. We expect the risk adjustment transfer to be a payment from Existing Non-Grandfathered Business, since the existing business is largely an underwritten block with lower average morbidity.

*** Ranges do not account for additional variation due to Area Factor and Underwriting Rating changes.

**** Premium for Individual book of business is not directly comparable to premium for Small Group book of business in this example due to different inherent benefit levels, geographic mix, and other factors

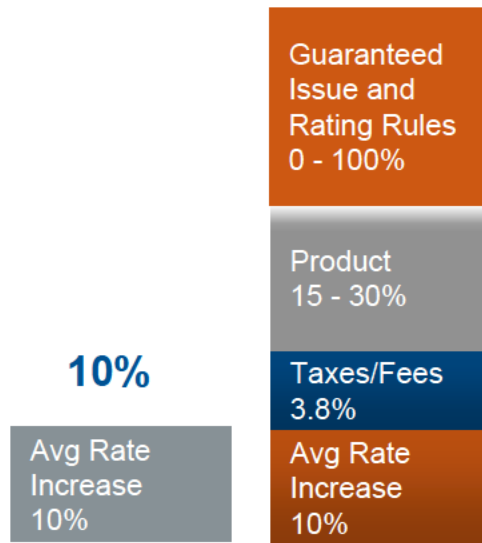
Estimated Pricing impacts

Many consumers and employers will face substantial price increases

Individual Market

Premium Increase *

25% to 200%



Pre-Reform

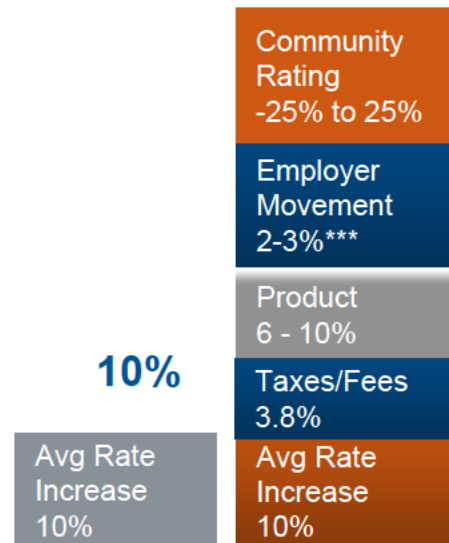
Post-Reform

*Reform Compliance drives **significant** price increases.*

Small Group Market

Premium Increase **

-5% to +50%



Pre-Reform

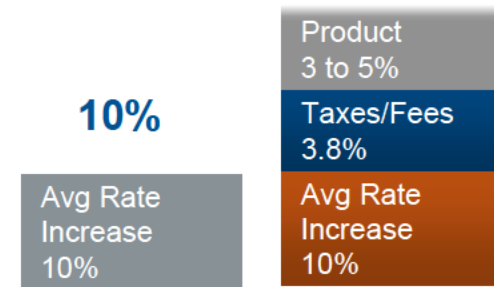
Post-Reform

*Community Rating causes significant **disruption** for all groups.*

Large Group

Premium Increase

15% to 20%



Pre-Reform

Post-Reform

***Incremental Increase** to rates beginning in 2013 to cover taxes, fees and benefits.*

* Before the impact of reinsurance credits and any applicable premium subsidies

** Reflects the majority of groups in states with moderate underwriting flexibility prior to 2014. Actual results could be outside this range,

*** Represents the impact of small employers dropping coverage or changing their renewal date in response to 2014 premium changes,

Small Group 2014 Likely Rate Increase Distribution

Likely Rate Increase	Community-Rated States	States with Moderate Rating Bands (+/-25% or less)	States with Wide Rating Bands (>+/-25%)	Total Small Group Block
States*	CO, CT, MD, MA, NJ, RI, VT, WA	CA, FL, KY, OR, AL, AR, GA, IL, IA, KS, MN, MS, MT, NE, NC, ND, NM, OK, SC, TX	AZ, DC, DE, ID, IN, LA, MI, MO, NV, OH, PA, TN, UT, VA, WV, WI, WY	
<10%	16%	21%	24%	21%
10-20%	38%	18%	15%	21%
20-30%	32%	23%	17%	23%
>30%	14%	38%	44%	35%

* Excludes NY, AK, HI, ME, NH, SD

Includes: Medical Trend and Demographic impact (~10%), Insurer Fee & Reinsurance Assessment (3.8%), Product Changes (~6%), Employer Movement (~2%) and impact of Adjusted Community Rating (includes impact of limiting age, removing gender, industry, group size, and other prohibited adjustments)

Excludes: Impact of risk adjustment (varies by state), impact of re-sloping (revenue neutral but varies by group); and SHOP user fees/assessments.

Insurer Fee

Overview

As of February 2013

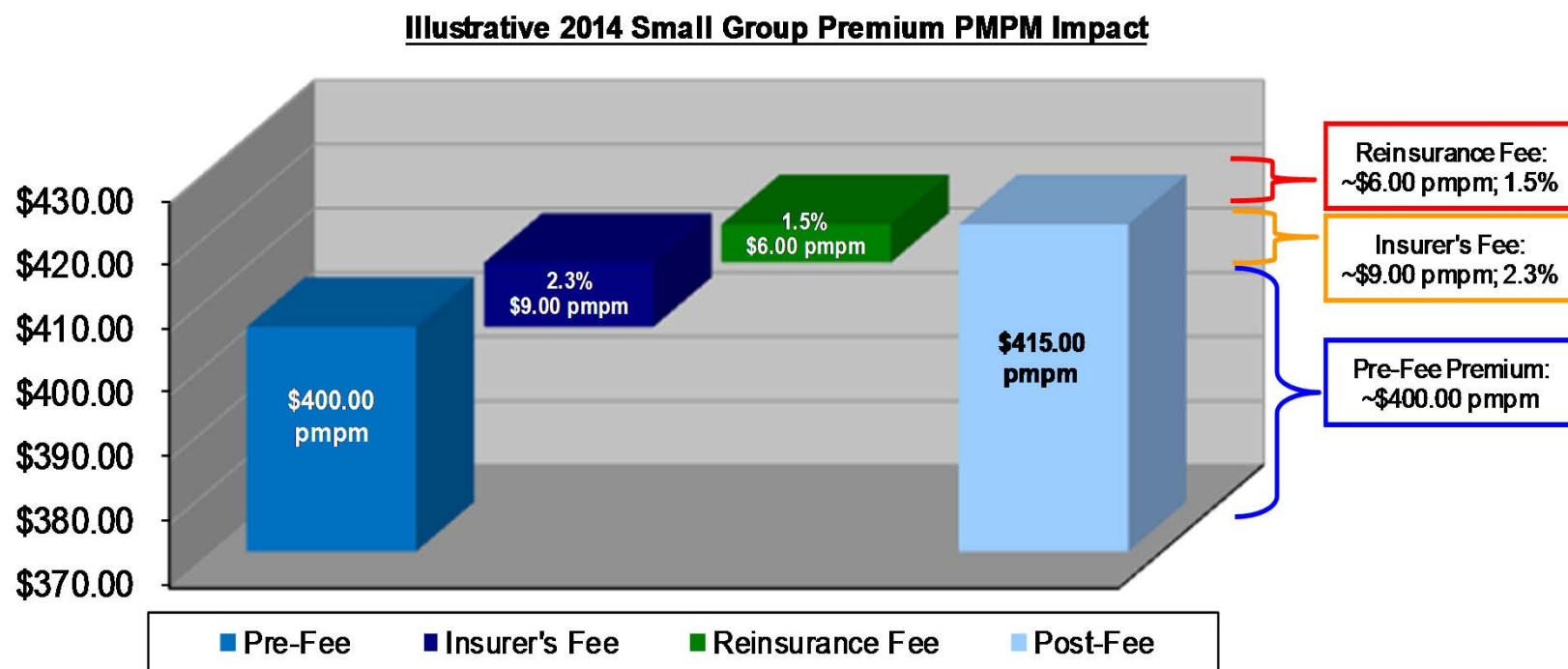
Summary

- ❑ **Overview.** The Patient Protection and Affordable Care Act is expected to impose fees beginning in 2014 and continuing indefinitely on insurance companies that offer fully-insured coverage. The fees will be assessed on earned health insurance premiums, with certain exclusions (as noted below), in amounts provided in the following table.

	2014	2015	2016	2017	2018	2019+
Annual Insurer Fee	\$8.0 B	\$11.3 B	\$11.3 B	\$13.9 B	\$14.3 B	Indexed to Growth of Premiums
% of Premiums	1.4%	1.9%	1.7%	2.1%	2.1%	2.1%
% of Premiums Grossed Up	2.3%	3.0%	2.8%	3.3%	3.3%	3.3%

- ❑ **Applicable Businesses.** Fees impact commercial fully-insured, Medicare, Medicaid, vision, dental and FEHBP. Exclusions include Medicare Supplement, stop loss, accident and disability. Additionally all self-insured plans are exempt along with certain nonprofit entities and insurers with less than \$25 million in premiums.
 - Medicaid Long-Term Care. Updating previous estimates, Medicaid long-term care is expected to be included in the annual insurer fee calculation.
- ❑ **Non-Tax Deductible.** The Insurer Fee is not tax deductible, meaning that if [REDACTED] wanted to cover off on the entire fee, assuming a 37% tax rate, revenues would have to increase by \$1.59 ($1/(1-37\%)$) for every \$1 of fees. If revenues were only increased by the amount of the fee, [REDACTED] would earn an additional \$0.63 after-tax, but would have to pay out \$1.00, resulting in a deficit of \$0.37.
 - Effective Tax Rate Change. Given that the fee is non-tax deductible, [REDACTED] effective tax rate will increase beginning in 2014. Based on rough estimates, the effective tax rate will increase by approximately 6% to 8%.
- ❑ **Calculation of the Fee.** Each year's fee will be based on prior year's premiums and market share. Therefore the 2014 fee will be based on 2013 premiums and market share. Given a 2013 market size estimate of \$552B, per [REDACTED] the 2014 fee is estimated to be 1.4% of premiums on a net basis (\$8B/\$552B), or 2.3% given the non-tax deductibility ($1.4\%/(1-37\%)$).
 - Market Size. In order to determine a company's share of the fee, it is necessary to determine the overall market, including certain exceptions. [REDACTED] provides the most comprehensive 3rd party assessment of the 2013 market size taking into account the applicable exclusions. Current 2013 and 2014 estimates are \$552B and \$599B, respectively.
- ❑ **Other Estimates of the Fee.** In addition to the [REDACTED] study referenced above, [REDACTED] [REDACTED] have published reports estimating what percent of overall premiums these fees will represent. [REDACTED] believes the fee will average 2.5% of premiums on a grossed up basis over the first ten years. [REDACTED] believes the fee will be 2.4% of premiums on a grossed up basis in 2014 and increasing thereafter. [REDACTED] believes the fee will average 2.25% to 2.5% of premiums on a grossed up basis in 2014.

Impact of 2014 ACA Fees on Small Groups

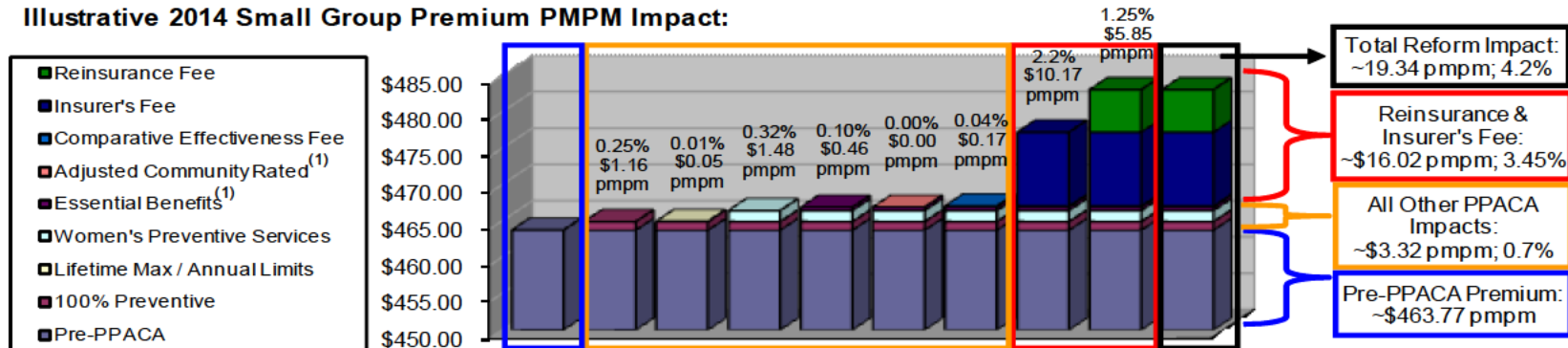


- ❑ Beginning in 2014, premiums for small group coverage will be affected by ACA provisions, including new taxes and fees, adjusted community rating requirements, essential health benefits and additional benefit mandates.
- ❑ In 2014, new taxes and fees alone will add nearly 4% to premiums:
 - Insurer's fee – Fees imposed on insurance companies that offer fully-insured coverage (\$8B in 2014, \$11.3B in 2015 and 2016, \$13.9B in 2017, \$14.3B in 2018 and indexed to growth in premiums in 2019 and beyond).
 - Reinsurance fee – Transitional fees (2014-2016) imposed on all commercial fully-insured and self-insured groups (\$25B total over the three-year period).

PPACA's Fees/Reforms – Impact on Premiums

Small Group Market

Illustrative 2014 Small Group Premium PMPM Impact:



Individual Market

